

Saint Paul ROW Maintenance Assessment Appeal Hearing

October 14th, 9am.

Chad Skally Appealing Properties:

- 241 Brimhall Street – PID 10-28-23-22-0183
- 622 Grand Avenue – PID 02-28-23-41-0069
- 2130 Como Avenue – PID 20-29-23-44-0108
- 194 Summit Avenue – PID 01-28-23-11-0006

I request that my assessments for these 4 properties be the same amount that an identical mid-block property would pay, as listed in Table 1. Below is my factual basis for my objection and request. I look forward to City response with factual information.

POINT 1

The letter mailed to me for this hearing did not list 2130 Como. Please add 2130 Como to the list of properties I am appealing. Addendum A shows the original letter and email confirmation, listing all 4 properties to be appealed.

POINT 2

These four corner properties pay approximately 2.3 times more in ROW maintenance assessment than identical buildings in the middle of the block (see Table 1). On average the 2016 ROW maintenance assessment is \$1,291 more per corner property than an identical building in the middle of the block.

Table 1 ROW assessments compared to identical mid-block property.

Corner Property Address	ROW Assessment (rounded)	Identical Mid-Block Property Assessment	Amount Difference	Times Difference
241 Brimhall	\$1,718	\$712	\$1,006	2.4
622 Grand	\$1,813	\$886	\$927	2.0
2130 Como	\$1,592	\$616	\$976	2.6
194 Summit	\$4,032	\$1,776	\$2,256	2.3
Total	\$9,155	\$3,990		
Average	\$2,289	\$998	\$1,291	2.3

POINT 3

City of Saint Paul's RES 11-1098 states:

"WHEREAS, the calculation of the ROW Assessment is based on a rate structure intended to link the cost of providing maintenance services with the benefits received by properties abutting city streets and alleys;"

Later is the policy document it states:

"A major purpose of ROW assessment is to distribute the costs of street maintenance among all properties that benefit, including tax-exempt and taxable properties."

"The law requires that the properties assessed must receive a special benefit from the assessment, that the assessment amount may not exceed the special benefit to the particular property, and that the assessment must be uniformly applied to properties in the same class."

In my particular case, with these four properties, I do not receive an average of \$1,291, or 2.3 times, in more benefits than an identical building in the middle of the block. Compared to identical mid-block properties, my:

- corner properties do not have 2.3 times access to street parking
- corner properties do not have 2.3 times more revenue (Table 2 lists comparable rents)
- corner properties do not have a property value 2.3 times higher

Table 2 Income from corner versus mid-block properties

Address	1 Bedroom Market Rent	Comparable Mid-Block Properties
241 Brimhall	\$930	\$880 - \$960
622 Grand	\$865	\$865
2130 Como	\$895	\$895
194 Summit	\$925	\$810 - \$1,200

POINT 4

This is the list of ROW maintenance services provided:

“sweeping, flushing, patching, and chip sealing streets and alleys; patching, blading and placing crushed rock on unimproved rights-of-way; street overlays; snow emergencies, vehicle tagging and towing, snow plowing, sanding, salting, snow removal, ice control; boulevard tree trimming, repair and removal; street lighting repair, replacement, painting and electricity; installation, repair and replacement and removal of traffic signs; pavement markings; litter pick up; ordinance enforcement; and emergency maintenance service”

All properties on each block benefit equally from the maintenance of the streets surrounding it. The mid-block properties benefit equally with the corner properties for these services. If the City were to stop these services on just the ends of the blocks, every property on the block would be equally effected. I believe these are factual statements:

- people who access properties in the middle of the block, drive on the streets around the block,
- people who visit properties in the middle of the block, park on the streets around the entire block,
- people who bike and walk to the properties in the middle of the block, walk on the sidewalks around the block, and
- people who use the alley to access behind their mid-block properties, use the streets around the block for access.

POINT 5

There are a lot of false perceptions about the benefit corner commercial properties receive because of more “street access and visibility”, and especially how this relates to charging a fee based specifically on benefits from City services. Here are quotes from the 2015 ROW City Council Hearing:

“Commercial (corner properties) benefits more from access.” -Council President Stark

“Although, I suspect no corner commercial property owner would switch with a mid-block owner. You would rather be on the corner. More access, two areas to park on, better visibility, easier delivery. (There is a) Huge advantage of corner properties. Patina is an example.” -Councilmember Tolbert

“I agree with Councilmeber Tolbert, there is some additional advantage to being on the corner, but it is not 3 times.” -Council President Stark

Specific factual comments I have to Councilmember Tolbert’s 2015 comments:

- “no corner commercial property owner would switch with a mid-block owner” - I own many mid-block properties and would be completely open to switching my corner properties for an identical mid-block property.
- “More Access” - A corner property would only have more access if there is a side entrance. Most commercial corner properties are similar to mid-block properties and have only a main entrance, and a rear entrance.
- “Two areas to park” – This is completely false because the streets are for public parking only. It is against the law for anyone to designate the street parking in front of their home or business for their own use. People can and do park around the entire block when going to a property in the middle have the block.

- “Better visibility” - In some cases a corner property has better visibility, specifically if it is on the corner of 2 arterial streets. However, in most cases corner commercial properties are along a residential street and the main visibility is on only one side.
- “Easier delivery” – This has nothing to do with street assessments, or a value of a building. Any business, whether on a corner or mid-block, has access for deliveries.
- “Huge Advantage” aka Patina – This is the biggest myth. Take a look at the Bibelot, Irish on Grand, and St. Patricks Guild. They are all successful gift shops that are not on a corner. In Saint Paul I know of mid-block salons, barber shops, restaurants, hardware stores, and apartment complexes that all have the same benefit from the streets, and similar values as identical corner properties.

POINT 6

In 2011 I brought this issue to City Council and nothing was changed.

At the October 7th 2015 City Council Meeting, during the ROW assessment discussion (item #47) Councilmembers specifically stated:

“I continue to agree that we should make a fix for this and get more votes to do it.” -Council President Stark

“I think we should take another look at it.” Councilmember Finney - “I agree with you.” -Council President Stark

“I am not sure there is any advantage at all to properties for being on the corner.” -Councilmember Bostrom

“It might be time for another ROW policy session. Maybe we will set that up for some time soon.” -Council President Stark

“We really need to take a look at this again.” -Councilmember Thayer

However, nothing has changed.

POINT 6

I believe there are several easy options to fix this inequity:

- Option 1 – charge commercial properties based on the address side of their property (as is done with residential properties).
- Option 2 – charge commercial properties based on the square footage of their lot.
- Option 3 – charge commercial properties based on property designation and square footage of their building(s).

POINT 7

In the ROW policy document, it states:

“The purpose of this document is to provide policy guidance for calculating the ROW Assessment, but it does not supersede the law or the actual assessment process.”

Based on my factual information the ROW policies of Saint Paul conflict with state law and do not meet the standard of increasing the value of my property directly with the cost of the assessments I pay.

QUESTIONS

1. What additional benefits do my corner properties get from ROW maintenance that are not also received by mid-block properties?
2. Why has nothing changed with the ROW assessment calculation in the last 5 years?
 - a. Is it because council members and/or the Mayor's office do not want it to change?
 - b. Is it because City Staff do not want it to change?
 - c. Is it because there are not the resources to change the current system?
3. What do you think some potential solutions are?
4. What is the timeline for solutions to be generated, reviewed and implemented?
5. When will the City respond to my appeal with factual information?

Addendum A

Email Confirmation

Kelley, Pattie (CI-StPaul) <pattie.kelley@ci.stpaul.mn.us> Tue, Oct 4, 2016 at 7:50 AM

To: Chad Skally <chad@skally.com>, #CI-StPaul_Ward3 <Ward3@ci.stpaul.mn.us>

Chad –

Thank you for your email. I have submitted your letter of objection to be included in the public record for tomorrow's ROW agenda item. Thank you –
Pattie

Pattie Kelley
Executive Assistant
Councilmember Tolbert – Ward 3

Letter of Appeal
October 3, 2016

St. Paul City Council
310 City Hall
15 West Kellogg Boulevard
St. Paul, MN 55119

Re: 2016 ROW Assessments Public Hearing Letter

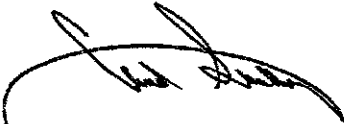
Dear City Council Members,

I am writing because the recommended 2016 ROW assessments are not fair. I manage several apartment buildings located on corners, including: 622 Grand Ave, 241 Brimhall St, 2130 Como Ave, and 194 Summit Ave (property ID numbers listed below). At these properties my assessments are two to three times higher than similar apartment buildings in the middle of the block.

The residents of these buildings do not use the streets two to three times more than the residents in the neighboring apartment buildings. My rents are identical to the apartment buildings in the middle of the block. My vacancy rates, expenses, and property taxes are the same as middle-block apartment buildings. I do not get any extra benefit for being on the corner compared to an apartment building next to me.

This is not a new issue for the City. In fact, it has been around for more than 5 years and nothing has been done. I ask that you change the ROW assessment system so corner commercial properties pay an identical amount to similar mid-block commercial properties.

Sincerely,



Chad Skally
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